

**INTERNAL REVENUE SERVICE**

Number: **INFO 2002-0012**

Release Date: 3/29/2002

CC:PSI:1-GENIN-155241-01

December 17, 2001

UILC 1362.00-00

██████████:

We are responding to correspondence, submitted on your behalf by ██████████ ██████████, C.P.A., requesting late S corporation relief under Revenue Procedure 97-48, in order to establish 1998 as the effective year for your S corporation election. The information submitted explains that automatic relief was denied by the Internal Revenue Service because your account fails to reflect an extension for your 1998 tax return. Although your accountant asserts that an extension was filed for the 1998 tax return, the IRS has no record of receiving it. If your accountant produces proof of filing (e.g., a certified mail receipt) your extension, we might be able to assist you in obtaining late S corporation relief pursuant to Revenue Procedure 97-48. If proof of properly filing the extension is unavailable, you must follow the private letter ruling process described below in order for us to consider your situation.

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late S corporation elections. Generally, to request relief for a late or invalid S corporation election you must request a private letter ruling from the National Office. The procedures for requesting a ruling are set out in Revenue Procedure 2001-1 (copy enclosed). In addition, a proper user fee must be submitted along with your request. The fee for a ruling is \$6,000; however, taxpayers with gross income of less than \$1 million for the last 12-month taxable period qualify for a **reduced user fee** in the amount of \$500. If your business qualifies for the reduced fee, your request must include a statement certifying gross income; otherwise, you will be billed the higher fee. Please format your ruling request as shown in Appendix B of Rev. Proc. 2001-1.

If you decide to submit a ruling request, please provide documents supporting your intention to be an S corporation, and include the proper user fee. Please refer your package to our office by adding the following to the address:

Attn: CC:PA:T  
P.O. Box 7604  
Ben Franklin Station  
Washington, DC 20044

Direct to: CC:PSI:B1  
Room 5002

If you have computer web access, you may wish to visit [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz) for specialized tax information, products, and forms relating to small businesses.

Please keep this letter with your tax records and feel free to provide a copy of it to your authorized representative. We hope that the above information proves helpful.

Sincerely yours,

**/s/Dianna K. Miosi**  
DIANNA K. MIOSI  
Chief, Branch 1  
Associate Chief Counsel  
(Passthroughs and Special Industries)

Enclosures:  
Announcement 97-4  
Rev. Proc. 2001-1